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DD/P 3-0731

Approved For Release 2002/01/31 : CIA-RDP78-04608A000100010068-9

Signature Audit

7 February 1963

MEMORANDUM FOR: CHIEF, AUDIT STAFF

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SUBJECT : Report of Audit, [REDACTED]
1 Feb 62 - 30 Sept 62

REFERENCE : Your memorandum dtd 10 Jan 63,
Same Subject

As requested in referenced memorandum, the following information is forwarded with regard to paragraph 2(g), (h), and (i):

- g. Advise the Auditor whether [REDACTED] procedure of making temporary loans of property to activities without charge has the approval of Headquarters.

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The procedure of temporary loans of property to activities without costing or charging for 90 days or less is matter of judgment on the part of the accountable officer who has possession of the item. If he determines that the need exists for the temporary loan of an item and can assure himself that the item will be returned within time limitation and that the item will be returned in the same condition as it was when issued he may do so. The accountable officer should be very familiar with the fact pointed out by the Auditors in para. 9 of reference, i. e., it is conceivable that due to F. W. T. loss or destruction an item on loan could be consumed. When this happens the item must be costed to an activity or to the TSD withdrawal account. The consumption must be justified either through a report of circumstances or by survey action. It is not the intent to withhold available material due to cost limitations.

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- h. Advise the auditor of the accounting policy for prototype items shipped to the field for test and evaluation purposes.

Prototype items are not stock items. When prototype items are sent to the field for test and evaluation they are nonaccountable and should not be picked up on station or base accountable records. Since records of these prototypes are kept at Headquarters, there is a responsibility to protect Government property and to see that the item is evaluated or tested and that reports indicating disposition of item be sent to Headquarters.

- i. Advise the auditor whether [REDACTED] procedure of dropping accountability for nonexpendable property issued to project [REDACTED] is authorized.

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Nonexpendable items charged to this allotment should not be picked up in station or base accountable records. However, there is a responsibility to protect Government property and records should be kept as to disposition of these items.

Original signed by

[REDACTED]
Chief, DD/P/TSD

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